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Security Council Committee established pursuant to resolution 1718 (2006)

Note verbale dated 27 July 2009 from the Permanent Mission of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of the United Kingdom to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1718 (2006) and has the honour to attach its report pursuant to paragraph 22 of resolution 1874 (2009) on the steps taken by the Government of the United Kingdom to implement paragraphs 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 23 and 28 of that resolution.

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Please recycle

Annex to the note verbale dated 27 July 2009 from the Permanent Mission of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Chairman of the Committee

United Nations Security Council resolution 1874 (2009): implementation report by the United Kingdom

[27 July 2009]

Introduction

1. Please see the relevant sections below for details of how the United Kingdom has implemented the measures in paragraphs 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 23 and 28 of resolution 1874 (2009) within the United Kingdom's legal and administrative structure. The responsible Government department in the United Kingdom, the Foreign and Commonwealth Office, will ensure that details of individuals and entities designated with respect to these measures are transmitted to appropriate government departments and posts overseas.

Assets freeze and financial vigilance

2. HM Treasury is responsible for implementing financial sanctions within the United Kingdom. As stated in the United Kingdom's report pursuant to paragraph 8 of resolution 1718 (2006), in order to implement the financial sanctions element of resolution 1718 (2006) the Privy Council adopted secondary legislation made under the United Nations Act 1946 on 16 November 2006. The legislation allowed for:

(a) Freezing the funds, other financial assets and economic resources of those individuals and entities listed by the Security Council Committee established pursuant to resolution 1718 (2006);

(b) Freezing the funds, other financial assets and economic resources of persons acting on behalf of or at the direction of a designated person;

(c) Providing criminal penalties, including for any breaches which take place in respect of dealing with, or making funds available to, designated persons within the United Kingdom and/or by United Kingdom citizens;

(d) Providing for licences to be granted by HM Treasury as the United Kingdom's competent authority to allow funds, other financial assets or economic resources, to be dealt with or made available, consistent with the provisions set out in resolutions 1718 (2006) and 1874 (2009), including in relation to exemptions.

3. HM Treasury publicizes information on financial sanctions on its website and also through an alert system that updates approximately 6,600 subscribers. This allows financial institutions to freeze accounts of listed persons and entities to ensure compliance with the obligations set out in resolution 1874 (2009).

4. The Financial Services Authority regulates the financial services industry in the United Kingdom and will be taking an active approach to ensuring that firms have systems and controls in place to comply with Security Council resolution 1874 (2009).

Grants, financial assistance and concessional loans

5. The United Kingdom will not enter into new commitments for grants, financial assistance and concessional loans to the Government of the Democratic People's Republic of Korea, including through their participation in international financial institutions, except for humanitarian and developmental purposes, in line with the prohibition contained in European Union Common Position 2006/795/CFSP.

6. Resolution 1874 (2009) calls upon all States to exercise vigilance in entering into new commitments for public provided financial support for trade with the Democratic People's Republic of Korea. The Export Credits Guarantee Department is responsible for the public provision of export credit guarantees and insurance in the United Kingdom. The Department has not been receiving new applications — and has not provided any support — for trade with the Democratic People's Republic of Korea for many years. This position is unlikely to change in the foreseeable future.

Travel ban

7. The United Kingdom is exercising vigilance and restraint in respect of entry to, or transit through, the United Kingdom by individuals listed by the 1718 (2006) Committee. United Kingdom Border Agency staff are instructed to refuse those individuals entry to or transit through the United Kingdom.

8. The United Kingdom complies with Security Council resolutions that impose restrictive travel measures through their inclusion in the Immigration (Designation of Travel Bans) Order 2000. This Order is made under section 8B of the Immigration Act 1971 and laid before Parliament. It came into force on 10 October 2000. It is regularly amended to update the list of travel bans included in the schedule to the Order. Details of those individuals subject to a travel ban are also included in the appropriate United Kingdom watch list.

9. The effect of the 2000 Order is that a person named by or described in an instrument designated by the Order becomes an excluded person and must be refused leave to enter or remain in the United Kingdom, unless a specific exemption has been approved. It also provides for the automatic cancellation of any existing permission to stay in the United Kingdom.

10. Pending designation under the 2000 Order, the United Kingdom relies on powers contained within domestic legislation to deny entry to, or transit through, the United Kingdom of those subject to a travel ban on the grounds that their exclusion from the United Kingdom would be conducive to the public good.

Exports

11. Resolution 1874 (2009), building on the requirements in resolution 1718 (2006), calls on States to take action against the Democratic People's Republic of Korea, including by implementing controls to:

- ban all arms transfers **from** the Democratic People's Republic of Korea
- ban all arms transfers **to** the Democratic People's Republic of Korea, except for small arms and light weapons

- require that States notify the Democratic People's Republic of Korea Sanctions Committee before transferring small arms/light weapons to North Korea

12. The Export Control Order 2008 ("the Export Order") already controls exports of all military items from the United Kingdom to the Democratic People's Republic of Korea as well as trade in arms to the Democratic People's Republic of Korea from third countries to the extent that United Kingdom companies or nationals are involved.

13. European Council Regulation (EC) No. 329/2007 ("the Democratic People's Republic of Korea Regulation"), adopted on 27 March 2007, already controls the provision of technical and financial assistance to the Democratic People's Republic of Korea in respect of all military items (in the context of a range of measures designed to implement resolution 1718 (2006)).

14. It is anticipated that a forthcoming European Council regulation will amend the Democratic People's Republic of Korea Regulation in order to implement the remaining export control related provisions of resolution 1874 (2009) that fall within European Community competence (see below for a general discussion of European Union measures).

15. On 10 July 2009, the North Korea (United Nations Sanctions) Order 2009 came into force. This Order prohibits the use of United Kingdom flag vessels and aircraft for the carriage of military goods to or from North Korea except under the authority of a licence. Any breach of the prohibitions is a criminal offence. A copy of the Order is attached.*

Enforcement

16. HM Revenue and Customs continues to enforce existing prohibitions on the export of military and proliferation items and enforce the United Kingdom's export licensing system on dual-use goods and technology. This will include goods that are in transit or being trans-shipped through the United Kingdom. HM Revenue and Customs is also alert to the risk of controlled goods being exported to known diversionary destinations and, on the basis of good quality information, will intercept goods that are likely to be illegally diverted to the Democratic People's Republic of Korea.

17. As part of its enforcement responsibilities, HM Revenue and Customs also continues to enforce end-use control. Where goods are suspected of requiring export licences from the Department for Business, Innovation and Skills, the consignment will be stopped and depending on the circumstances of the case, enforcement action taken which may include seizure.

18. HM Revenue and Customs also enforces the prohibition on trafficking and brokering controls in relation to military goods both originating in and destined for the Democratic People's Republic of Korea, where the trade activity is undertaken within the United Kingdom or by a United Kingdom national anywhere in the world.

* The Order is on file with the Secretariat and is available for consultation.

Supply services to North Korean ships

19. The North Korea (United Nations Sanctions) Order 2009 prohibits the provision of ship supply services including bunkering to any ship registered in the Democratic People's Republic of Korea except under authority of a licence. A breach of the prohibition is a criminal offence.

United Kingdom Overseas Territories and Crown Dependencies

20. In the United Kingdom Overseas Territories the direct export controls required by Overseas Territories in relation to the Democratic People's Republic of Korea are already in place under the Export of Goods, Transfer of Technology and Provision of Technical Assistance (Control) (Overseas Territories) Order 2004.

21. Resolution 1874 (2009) is further implemented by the North Korea (United Nations Measures) (Overseas Territories) (Amendment) Order 2009 which came into force on 10 July 2009. The amendment implements measures in the resolution in relation to carriage of restricted goods (military and dual-use) and provision of ship supply services to the Democratic People's Republic of Korea. The Order covers all United Kingdom Overseas Territories with the exception of Gibraltar which will be covered by the European Council regulation.

European Union measures

22. The European Council has enforced measures included in Security Council resolution 1718 (2006) through European Council regulation (EC) No. 329/2007 (amended by (EC) No. 117/2008 and (EC) No. 389/2009). We are working with our European Union partners to ensure European Union-level implementation of resolution 1874 (2009). This will ensure consistent implementation by member States, but is also necessary for full United Kingdom implementation as certain measures fall within European Community competence.

23. A Common Position is in the process of being agreed by partners. This will be followed by consideration of a draft European Council regulation.